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March 23, 2012

Ms. Andrea Madigan
Enforcement Attorney
Legal Enforcement Program
US EPA Region 8
1595 Wynkoop Street
Denver, CO 80202

Re: Transfer of Commonwealth Mining Company Property

Dear Andrea:

Pursuant to our phone conversation on Wednesday, March 21, 2012, please find enclosed the following documents:

- 1) Land Purchase Agreement – Commonwealth and Erica Spurrier and John Strand
- 2) Land Purchase Agreement – Commonwealth and Phillip and Tammy Reif

These two Purchase Agreements are for the Adjacent Property as defined by the Consent Decree ("CD"). I am hopeful that you will provide me with a Letter of Consent to these two pending sales of property in compliance with the CD, specifically paragraph 9.

Upon transfer of the property, Commonwealth will pay the EPA sixty percent (60%) of the Net Sale Proceeds from both sales, which, pursuant to the CD, will be paid to the US Government within thirty (30) days of the closing of each respective sale. I will send you documentation of the "net proceeds" calculations within the next couple of weeks so that you may have some idea of the amount the government can expect from each sale. The Spurrier/Strand sale is scheduled to close in May, 2012. The Reif sale closing date has been extended to May 31, 2012.

As I stated in our telephone conversation, the preliminary title policy from Lawrence Title with respect to the Reif purchase included a number of exceptions related to the outstanding lease between Commonwealth and Brohm Mining Company. I have been advised by the title company that the underwriters would remove these exceptions if there is a court order declaring the leases null and void. I am starting an action in the 4th Judicial Circuit in Lawrence County to accomplish that. I am assuming that Brohm will not respond and the court will grant summary judgment after the thirty

(30) day time to file an Answer has run. Hopefully this will then allow the title company to remove these exceptions.

I am optimistic that there will continue to be some interest in the sale of the property, although it has been a long time coming because of the depressed economy and lack of interest in purchasing property. Should you require anything further, please do not hesitate to contact me.

Sincerely,

FREDERICKSON LAW OFFICES, P.C.

A handwritten signature in cursive script, appearing to read "John R. Frederickson", written over the printed name.

John R. Frederickson

JRF:mls
Enclosures
Cc: client

LAND PURCHASE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT BETWEEN
PURCHASER AND SELLER.
IF YOU DO NOT UNDERSTAND IT, SEEK LEGAL ADVICE.

1. PARTIES TO CONTRACT - PROPERTY. Purchaser and Seller acknowledge that Broker is _____ is not ☒ the limited agent of both parties to this transaction as outlined in Section 111 of the Agency Agreement Addendum as authorized by Purchaser and Seller.

Erica Spurrier and John Strand, hereinafter referred to as

Purchaser, offers and agrees to purchase from _____ Commonwealth Inc., hereinafter referred to as Seller, upon the terms and conditions set forth, the properly legally described as:
MS 1421 - 1895 1895 No. 1 1895 No. 2, 1895 No. 4
MS 1239 - Saxonia, Saxonia Frac. Cortez, Aquila
MS 1892 - Commonwealth, Commonwealth Frac. Robin MS 1831 Arcadia, Linnoln
also known as _____

2. EARNEST MONEY DEPOSIT. Broker hereby acknowledges receipt of Earnest Money in the amount of (\$1,500) One Thousand Five Hundred DOLLARS
Cash _____ Check ☒ is attached to this agreement, unless otherwise noted herein, to be deposited by the Listing Broker on the next legal banking day after acceptance of this offer.

Other earnest money provisions: _____

3. PURCHASE PRICE. The total purchase price is to be (\$ 232,000)
Two Hundred Thirty-Two Thousand DOLLARS

After earnest money herein is credited, the remaining balance is to be paid by Purchaser at closing.

4. FINANCING.

- ☒ New Mortgage. This offer is contingent upon Purchaser obtaining a new
☐ VA, ☐ FHA, ☐ SDHDA, ☒ Conventional, or ☐ _____ type of loan.
A letter of Purchaser's loan status from _____ tbd
☐ is attached or ☒ will be delivered by 3-2-12 (date).

Within 2 legal banking days after acceptance of this Agreement, Purchaser will make application for and diligently and in good faith endeavor to secure a new loan, pay all application fees, and to sign all financing documents without delay. Purchaser reserves the right to obtain alternative financing as long as there are no increased costs to Seller.

- ☐ Assumption. See attached Addendum.
☐ Contract for Deed/Private Mortgage. See attached Addendum.
☐ Cash. This is a cash offer. The remaining balance of \$ _____ will be paid at closing by certified check. A letter of verification from

_____ regarding the availability of funds ☐ is attached ☐ will be delivered by _____ (date) or this agreement, at the option of Seller without notice to Purchaser may be voided.

INITIALS: PURCHASER ES JS SELLER DM

5. APPRAISAL. This offer is ☒ is not subject to the property appraising for at least the purchase price. If the appraisal reveals repairs, which must be made, Purchaser and Seller will negotiate which party will complete those repairs for any re-inspection fees. If the appraisal is less than the agreed purchase price, Purchaser and Seller may renegotiate the purchase price.
Appraisal ☐ will / ☒ will not be ordered prior to removal of inspection contingency.

6. SALE OF PURCHASER'S PROPERTY

A. ☒ This offer is not contingent upon the sale or close of property owned by Purchaser.

B. ☐ This offer is contingent upon the sale and close of Purchaser's property located at

(address, including city & state)

☐ within days or ☐ within the time specified for closing the Seller's property. Seller shall have the right to continue to offer the property for sale and accept any offers subject to the rights of Purchaser. If Seller accepts another offer, Seller will give Purchaser written notice of that fact. Within days of receipt of the notice, Purchaser will provide a written waiver of the contingency on the sale and close of Purchaser's property or this agreement will terminate without further notice and deposits will be returned according to paragraph 15 of this agreement. Upon waiver of this contingency, Purchaser warrants and will provide proof that the funds needed for closing will be available and Purchaser's ability to obtain financing is not contingent upon the sale and/or close of any property.

7. INSPECTIONS. This offer is contingent upon the following inspections:

Buyer to approve acceptable access to the property off of Gilt Edge Rd

Seller to provide Mineral Rights Search to confirm transfer of Mineral Rights

Buyer to view and approve of property within 10 business of acceptance.

If any inspection(s) reveals conditions unsatisfactory to Purchaser or unknown to Seller, the parties to this Agreement will have the following options: Purchaser will accept the existing condition; Seller will correct the existing condition and provide certification from an inspector that the condition has been remedied; or Purchaser and Seller will negotiate a settlement. If no written agreement can be reached on the results of the Inspection Report(s) within 10 business days of the date and time Seller is notified of the results of the inspection(s), this Agreement may be deemed null and void in its entirety at the option of Buyer within 72 hours after the negotiation deadline.

☐ Purchaser hereby waives the inspection. (Purchaser's initials)

8. SURVEY. Purchaser acknowledges that it has been recommended to obtain a survey by initialing one of the following:

☐ new location survey depicting all improvements on the property.

☒ existing location survey depicting all improvements on the property.

☐ new boundary survey marking all property corners before closing.

☐ purchaser acknowledges all property pins are currently in place.

☐ other

Cost of survey, if any, will be paid as follows: Seller Purchaser

Purchaser waives survey (Initial, if applicable)

INITIALS: PURCHASER ES TS SELLER DM

9. TAXES/PRORATIONS. Purchaser is aware that property taxes may or may not be based upon "Owner Occupied Status". Any and all Special Assessments are to be paid by Seller unless otherwise specified in this agreement.

Taxes, rents, road maintenance, water, sewer, and homeowner's association fees, if any are:

☒ To be prorated to _____ date of closing _____

☐ Not to be prorated

Tax proration will be based upon the: ☐ previous year's taxes / ☐ agreed upon amount of _____ /

☒ most current county information / ☐ new construction estimate ☐ other _____

10. TITLE. Merchantable title shall be conveyed by Warranty Deed or other sufficient conveyance instrument, acceptable to Purchaser, subject to conditions, zoning, restrictions, and easements of record, if any, which do not interfere with or restrict the existing use of the property. An owner's policy of Title Insurance in the amount of the purchase price will be furnished with cost to be distributed: Purchaser _____ Seller 100%.

11. CLOSING/POSSESSION. Closing date will be on or before May 21, 2012 with possession to be given Purchaser at time of closing. Seller agrees to maintain the property in a condition comparable to its present condition and agrees that Purchaser will have the opportunity for a personal inspection prior to closing. Seller agrees to keep property in same condition and maintain all existing insurance coverage on property until time of closing.

Closing service fees, if any, cost to be distributed as follows: Purchaser 50% Seller 50%.

All personal property, including refuse, not included in the purchase price, shall be removed by Seller prior to closing.

12. EARNEST MONEY/DEPOSITS. Listing office shall deposit and hold all earnest money and other deposits until sale is closed unless otherwise noted. If an accepted offer and agreement to purchase does not close, regardless of the circumstances, both Purchaser and Seller must agree in writing prior to release of earnest money or in the alternative, pursuant to court order in accordance with SDCL 36-21A-81.

13. AGREEMENT TO MEDIATE. (Not a part of Purchase Agreement, Elective Only) Any dispute or claim arising out of or relating to this contract will be submitted to mediation in accordance with the rules and procedures of the Sellers/Purchasers Dispute Resolution System. Any costs of mediation will be shared equally between Purchaser and Seller.

Yes ☒ No _____ Purchaser _____ / _____ (initials)

14. PERSONAL PROPERTY. Any personal property, free of liens and without warranty of condition, shall be transferred to Purchaser by a separate bill of sale. Purchaser ☐ will / ☐ will not compensate seller for fuel oil/propane remaining on date of closing.

15. OTHER PROVISIONS:

Contingent upon electrical being accessible.

INITIALS: PURCHASER ES TS

SELLER Plasy

16. ADDENDA TO THIS AGREEMENT. The following documents are addenda to this contract and are attached and become part of this contract by reference. If none, so state.

#1 Legal description

#2 Survey

17. This agreement is void if not accepted by Seller by the 15th day of March, 2012 by 10:30 a.m./p.m.

18. The laws of South Dakota govern this transaction.

INITIALS: PURCHASER ES, JS SELLER DM, J

19. TIME IS OF THE ESSENCE OF THIS CONTRACT.

Dated this 28 day of February, 2012 at 10:30 a.m./p.m.

Erica Spurrier
Purchaser

Purchaser

On this day of the foregoing offer is:

(Initial) ACCEPTED /

NOT ACCEPTED /

COUNTERED DM, J

Seller

Seller

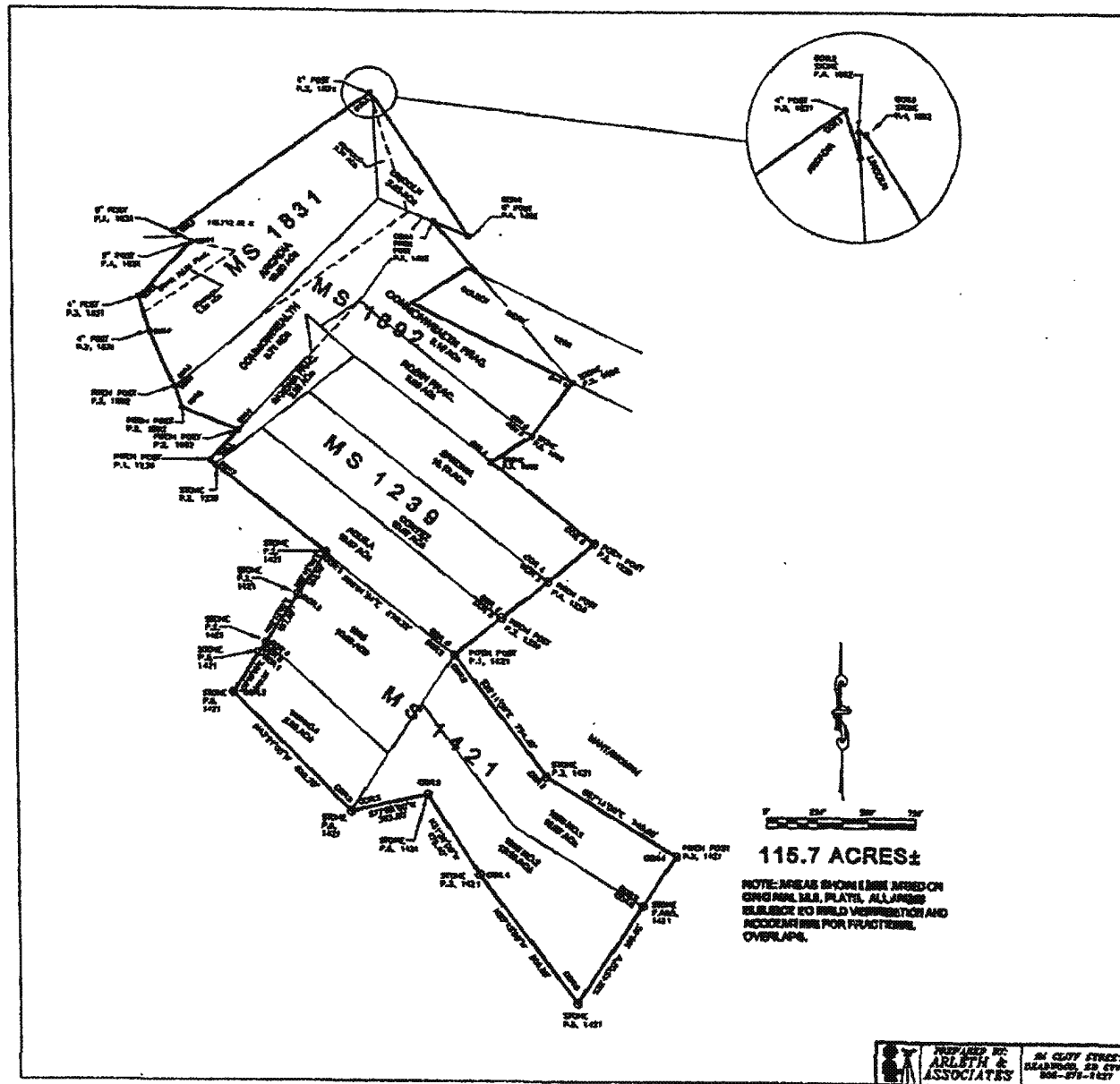
THE FOLLOWING IS FOR INFORMATION PURPOSES ONLY:

The Red Estate Center
Selling Company

Kari Engen
Selling Licensee

The Red Estate Center
Listing Company

John Manna
Listing Licensee



ES
TS

Legal Descriptions

MS 1236

Summit, Summit #1, Horn Silver

MS 1235

Mineral Twin No. 1, Mineral Twin No. 2

Rosa Belle, Vernal Equinox

MS 1932

Ceroite, Zipp Fraction

MS 1031

Gray, Louis, Theodor 2nd

Fritz, Scotia, Walter, Bavaria

MS926

Big Spring, J.K.P., Mary Ellen

* MS 1421

1895, 1895 No. 1, 1895 No. 2, 1895 No. 4,

* MS 1239

Saxonia, Saxonia Frac., Cortez, Aquila

* MS 1892

Commonwealth, Commonwealth Frac., Robin

* MS 1831

Arcadia, Lincoln

LAND PURCHASE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT BETWEEN
PURCHASER AND SELLER.

IF YOU DO NOT UNDERSTAND IT, SEEK LEGAL ADVICE.

1. **PARTIES TO CONTRACT - PROPERTY.** Purchaser and Seller acknowledge that Broker is X is not _____ the limited agent of both parties to this transaction as outlined in Section III of the Agency Agreement Addendum as authorized by Purchaser and Seller.

Philip and Tammy Reif, hereinafter referred to as

Purchaser, offers and agrees to purchase from _____ Common Wealth Mining Co, hereinafter referred to as Seller, upon the terms and conditions set forth, the property legally described as: M.S. 1236 Summit & Summit #1, M.S. 1235 Vernal Equinox, M.S. 1236 Horn Silver (Horn Silver consisting of 7.16 acres without the overlap of Rosa Belie and Mineral #2)

also known as _____

2. **EARNEST MONEY DEPOSIT.** Broker hereby acknowledges receipt of Earnest Money in the amount of (\$3,500) Three Thousand Five Hundred DOLLARS Cash _____ Check X is attached to this agreement, unless otherwise noted herein, to be deposited by the Listing Broker on the next legal banking day after acceptance of this offer.

Other earnest money provisions: will be provided upon acceptance

3. **PURCHASE PRICE.** The total purchase price is to be (\$ 77,000) Seventy-Seven Thousand DOLLARS

After earnest money herein is credited, the remaining balance is to be paid by Purchaser at closing.

4. FINANCING.

- ☒ **New Mortgage.** This offer is contingent upon Purchaser obtaining a new ☐ VA, ☐ FHA, ☐ SDHDA, ☒ Conventional, or ☐ _____ type of loan. A letter of Purchaser's loan status from _____ ☐ is attached or ☐ will be delivered by _____ (date).

Within 5 legal banking days after acceptance of this Agreement, Purchaser will make application for and diligently and in good faith endeavor to secure a new loan, pay all application fees, and to sign all financing documents without delay. Purchaser reserves the right to obtain alternative financing as long as there are no increased costs to Seller.

- ☐ Assumption. See attached Addendum.
☐ Contract for Deed/Private Mortgage. See attached Addendum.
☐ Cash. This is a cash offer. The remaining balance of \$ _____ will be paid at closing by certified check. A letter of verification from _____

regarding the availability of funds ☐ is attached ☐ will be delivered by _____ (date) or this agreement, at the option of Seller without notice to Purchaser may be voided.

INITIALS: PURCHASER PR / TR SELLER _____

5. APPRAISAL. This offer is ☒ is not _____ subject to the property appraising for at least the purchase price. If the appraisal reveals repairs, which must be made, Purchaser and Seller will negotiate which party will complete those repairs for any re-inspection fees. If the appraisal is less than the agreed purchase price, Purchaser and Seller may renegotiate the purchase price.
Appraisal ☐ will / ☒ will not be ordered prior to removal of inspection contingency.

6. SALE OF PURCHASER'S PROPERTY

A. ☒ This offer is not contingent upon the sale or close of property owned by Purchaser.

B. ☐ This offer is contingent upon the sale and close of Purchaser's property located at

(address, including city & state) _____

☐ within _____ days or ☐ within the time specified for closing the Seller's property. Seller shall have the right to continue to offer the property for sale and accept any offers subject to the rights of Purchaser. If Seller accepts another offer, Seller will give Purchaser written notice of that fact. Within _____ days of receipt of the notice, Purchaser will provide a written waiver of the contingency on the sale and close of Purchaser's property or this agreement will terminate without further notice and deposits will be returned according to paragraph 15 of this agreement. Upon waiver of this contingency, Purchaser warrants and will provide proof that the funds needed for closing will be available and Purchaser's ability to obtain financing is not contingent upon the sale and/or close of any property.

7. INSPECTIONS. This offer is contingent upon the following inspections:

If any inspection(s) reveals conditions unsatisfactory to Purchaser or unknown to Seller, the parties to this Agreement will have the following options: Purchaser will accept the existing condition; Seller will correct the existing condition and provide certification from an inspector that the condition has been remedied; or Purchaser and Seller will negotiate a settlement. If no written agreement can be reached on the results of the Inspection Report(s) within _____ business days of the date and time Seller is notified of the results of the inspection(s), this Agreement may be deemed null and void in its entirety at the option of Buyer within _____ hours after the negotiation deadline.

☒ Purchaser hereby waives the inspection. PR / TR (Purchaser's initials)

8. SURVEY. Purchaser acknowledges that it has been recommended to obtain a survey by initialing one of the following:

- _____ new location survey depicting all improvements on the property.
- _____ existing location survey depicting all improvements on the property.
- _____ new boundary survey marking all property corners before closing.
- _____ purchaser acknowledges all property pins are currently in place.
- _____ other _____

Cost of survey, if any, will be paid as follows: _____ Seller _____ Purchaser

Purchaser waives survey (Initial, if applicable) PR / TR

INITIALS: PURCHASER PR / TR SELLER _____ / _____

107 9. **TAXES/PRORATIONS.** Purchaser is aware that property taxes may or may not be based upon "Owner
108 Occupied Status". Any and all Special Assessments are to be paid by Seller unless otherwise specified in
109 this agreement.

110 Taxes, rents, road maintenance, water, sewer, and homeowner's association fees, if any are:

111 ☒ To be prorated to _____ Date of Closing _____

112 ☐ Not to be prorated

113 Tax proration will be based upon the: ☐ previous year's taxes / ☐ agreed upon amount of _____ /

114 ☒ most current county information / ☐ new construction estimate ☐ other _____

116 10. **TITLE.** Merchantable title shall be conveyed by Warranty Deed or other sufficient conveyance instrument,
117 acceptable to Purchaser, subject to conditions, zoning, restrictions, and easements of record, if any, which
118 do not interfere with or restrict the existing use of the property. An owner's policy of Title Insurance in the
119 amount of the purchase price will be furnished with cost to be distributed: Purchaser _____ Seller 100%.

121 11. **CLOSING/POSSESSION.** Closing date will be on or before 4-2-2012 with possession to
122 be given Purchaser at time of closing. Seller agrees to maintain the property in a condition comparable to
123 his present condition and agrees that Purchaser will have the opportunity for a personal inspection prior
124 to closing. Seller agrees to keep property in same condition and maintain all existing insurance coverage
125 on property until time of closing.

126 Closing service fees, if any, cost to be distributed as follows: Purchaser 50% Seller 50%.

127 All personal property, including refuse, not included in the purchase price, shall be removed by Seller prior
128 to closing.

129 12. **EARNEST MONEY/DEPOSITS.** Listing office shall deposit and hold all earnest money and other
130 deposits until sale is closed unless otherwise noted. If an accepted offer and agreement to purchase does
131 not close, regardless of the circumstances, both Purchaser and Seller must agree in writing prior to release
132 of earnest money or in the alternative, pursuant to court order in accordance with SDCL 36-21A-81.

134 13. **AGREEMENT TO MEDIATE.** (Not a part of Purchase Agreement, Elective Only) Any dispute
135 or claim arising out of or relating to this contract will be submitted to mediation in accordance with the rules
136 and procedures of the Sellers/Purchasers Dispute Resolution System. Any costs of mediation will be shared
137 equally between Purchaser and Seller.

138 Yes ☒ No _____ Purchaser PR / YR (initials)

140 14. **PERSONAL PROPERTY.** Any personal property, free of liens and without warranty of condition, shall
141 be transferred to Purchaser by a separate bill of sale. Purchaser ☐ will / ☐ will not compensate seller for
142 fuel oil/propane remaining on date of closing.

144 15. **OTHER PROVISIONS:**

145 This offer is contingent upon the seller obtaining a written release from the EPA regarding
146 any contamination to the property and release to Buyers for any prior use or occupying
147 party within 90 days of acceptance of this agreement.
148 _____
149 _____
150 _____

151 INITIALS: PURCHASER PR / YR SELLER _____ / _____

16. **ADDENDA TO THIS AGREEMENT.** The following documents are addenda to this contract and are attached and become part of this contract by reference. If none, so state.

17. This agreement is void if not accepted by Seller by the 4 day of January, 2012 by 5:00 a.m./p.m.

18. The laws of South Dakota govern this transaction.

INITIALS: PURCHASER PR / TR SELLER /

19. **TIME IS OF THE ESSENCE OF THIS CONTRACT.**

Dated this 28 day of December, 2011 at 9:00 a.m./p.m.

Phillip Reif Tammy Reif
Purchaser Phillip Reif Purchaser Tammy Reif

On this _____ day of _____, _____ the foregoing offer is:

(Initial) **ACCEPTED** _____ / _____

NOT ACCEPTED _____ / _____

COUNTERED _____ / _____

Seller

Seller

THE FOLLOWING IS FOR INFORMATION PURPOSES ONLY:

The Real Estate Center of Spearfish Ryan Wordeman
Selling Company Selling Licensee

The Real Estate Center of Spearfish Ryan Wordeman
Listing Company Listing Licensee

COUNTEROFFER

Northern Block Hills Association of REALTORS®, Inc

THIS IS A LEGALLY BINDING CONTRACT BETWEEN THE BUYER AND SELLER, IF NOT UNDERSTOOD,
SEEK LEGAL ADVICE.

ALL PARTIES UNDERSTAND: Seller reserves the right to accept any other offer prior to the buyer's acceptance of this counteroffer and written acceptance is delivered to seller or seller's agent.

Counteroffer Number 1 Dated: 1/5/2012 Time: 4:00 ☐ a.m. ☒ p.m.

In response to the Offer to Purchase dated 12/28/2011 for the real property described as:

M.S. 1236 Summit & Summit #1, M.S. 1335 Vernal Equinox, M.S. 1236 Horn Silver
(Horn Silver consisting of 7.16 acres without the overlap of Rose Belle and Mineral #2)

Between Common Wealth Mining Co Seller(s) and

Phillip Reif

Tammy Reif

Buyer(s) the

following counteroffer is hereby submitted:

1. Buyer and Seller split the cost of the title insurance believed to be \$434.00 total (\$217.00 each)
2. Split the cost of the survey of \$613.18 (\$406.50 each)

ALL OTHER TERMS REMAIN THE SAME.

Expiration: This counteroffer is withdrawn immediately upon Seller's written acceptance of any other offer as stated above and otherwise shall expire unless written acceptance is delivered to seller or seller's agent by

(date) 1-9-2012 at (time) 5:00 ☐ a.m. ☒ p.m.

Seller [Signature] Seller

Dated: 1-5-2012 Time: 4:00 ☐ a.m. ☒ p.m.

The Undersigned Buyer ☐ accepts the above counteroffer. (No further seller's signature required.)

TR ☒ rejects the above counteroffer.

TR ☒ partially accepts the above counter offer, subject to the following change(s) and expiring within 3 days from the date and time shown directly above.

Buyer will not split the cost of the survey.

Buyer: [Signature]

Buyer: [Signature]

Dated: 1-6-2012

Time: 10:30 PM

The Undersigned Seller ☐ accepts the above change(s) to the counteroffer.

☐ rejects the above counteroffer.

☐ submits counter offer # see attached

Seller: Seller:

Dated: Time: ☐ a.m. ☐ p.m.